

NSC BRIEFING

19 JANUARY 1956

INDOCHINA

- I. In South Vietnam, most seriously exposed of three new Indo-chinese nations, Premier Diem is making cautious but steady progress toward a stable regime.
 - A. Progress not spectacular, but Diem has had no setbacks since he defied General Ely and drove French-backed Binh Xuyen gangsters out of Saigon last spring.
 1. In Oct '55, swamp-based remnants of gangster groups were eliminated; its leader escaped to France.
 - B. Rebel activity in S. Vietnam now confined to Hoa Hao groups in southwestern Vietnam, with whom Viet Minh reported actively working.
 1. Vietnamese army now deploying upwards of 15,000 troops against 3,200 Hoa Hao.
 2. Considerable success claimed in winning Hoa Hao rank-and-file support for Diem.
 - C. Continuing Viet Minh efforts being made to strengthen position in south, but these being offset by improvement Diem's security services.
- II. Next step for Diem is election of National Assembly (originally planned for Dec '55: will probably come in late Feb or early March). Careful advance planning is characteristic of Diem's approach.

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X
1480
25X1

- A. Successive postponements have come from Government's efforts to make sure everything under control.
 - 1. Delays have charges of "dictatorship" against Diem.
 - 2. But disenchanted elements not unified, do not appear to constitute any real threat.
- B. A 120 to 125-seat body is contemplated; one seat will be left vacant as symbol of missing northerners.
- C. Viet Minh propaganda violently denouncing Diem's election plans as American-conceived plot to sabotage unification effort; calling for boycott.
 - 1. Viet Minh similarly attacked 23 Oct '55 referendum on Bao Dai, but turnout was good and Diem got 98% of vote.

III. After Assembly elections, Diem will still face problem of how to handle Geneva inheritance--all-Vietnam elections for "unification."

- A. He continues adamantly to refuse to accept commitments made by French at '54 Geneva conference.
 - 1. With Expeditionary Corps strength in S. Vietnam now down to about 20,000, French in no position to meet these commitments, either.
- B. Future of International Control Commission is cloudy, but even Indians apparently recognize all-Vietnam elections now virtually out of question.